

October 18, 2005

RE: Final Environmental Assessment (EA) for the Proposed Truck Loadout at the Absaloka Mine

To All Interested Parties:

Westmoreland Resources, Inc. has submitted a minor revision request to the Department of Environmental Quality (DEQ) to construct a truck loadout at the Absaloka coal mine located about 25 miles east of Hardin, Montana. The truck loadout would be located within the existing mine facilities area, and would be used to load coal on trucks that would transport the coal to the Rocky Mountain Power Plant near Hardin.

DEQ has prepared the enclosed final EA on the proposed truck loadout and transportation plan. The final EA is also available on the DEQ website at www.deq.mt.gov/ea/coal.asp. Changes to the EA made in response to public comments have been shaded.

One comment noted that trucks leave the loadout by turning onto County Road 42, and not 37. This road is also designated as the Sarpy Basin road. The MDOT county road map identifies this section of road as being County Road 37 and therefore that designation has been retained, although also identified as the Sarpy Basin road in the final EA.

Several comments were made that did not require changes in the final EA. One comment indicated that the trucks used for hauling are of a new construction and would keep emissions to a minimum and would be quieter than the older style vehicles. DEQ believes that the new trucks would not reduce the relatively low emissions that much further, nor the noise from passing trucks. Therefore no changes were made concerning these items.

Since no objections to the proposed truck loadout site being permitted were received the minor revision is being concurrently approved with issuance of this final EA.

Please contact Herb Rolfes at (406) 444-1516 or hrolfes@mt.gov or me if you have any questions.

Sincerely,

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HR/nh

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WRI Truck Loadout EA File

Enclosure
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ENVIRONMENTAL ASSESSMENT

DEPARTMENT OF ENVIRONMENTAL QUALITY PERMITTING AND COMPLIANCE DIVISION

Industrial and Energy Minerals Bureau

Company Name: Westmoreland Resources, Inc.

Name of Project: Absaloka Mine Truck Loadout Minor Revision

Location of Project: 27 miles east of Hardin

County: Big Horn

Description of Project: The Absaloka mine has applied to DEQ for a minor revision to its mine permit to construct a truck loadout. The facility would be located within the existing facilities and train loadout area. Site preparation activities would consist of leveling previously disturbed ground and utility identification. An existing bin would be modified and installed. Coal would be transferred via conveyor from the existing train loadout to the truck loadout.

The truck loadout would be built and owned by Rocky Mountain Power, Inc. and operated by Westmoreland. Forty-three-ton loads of coal would be hauled to Rocky Mountain's power plant near Hardin in contracted trucks with two covered belly-dump trailers. Four to five trucks would be operated per 10-hour shift, two shifts per day, 7 days per week, for an average of 35 round trips per day. Trucks would leave the loadout area by turning west onto County Road 37 (the Sarpy Basin Road). They would proceed along Secondary Highway 384 to State Highway 47 and cross over Interstate Highway 90. Trucks would go north on Secondary Highway 307 and left on Sugar Factory Road before turning off toward the power plant. About 550,000 to 650,000 tons of coal would be transported annually.

Currently, the mine is permitted to produce up to 10 million tons of coal per year. The additional coal mined to supply Rocky Mountain's power plant would not exceed this limit.

Affected Environment & Impacts of the Proposed Project:

Key: Summarize impacts as follows: NA - Not applicable, N - No impact, B - potentially beneficial impact, A - potentially adverse impact, M mitigation required, P - additional permits required (when additional DEQ permits are required, this review must be coordinated between bureaus)

Key	PHYSICAL AND BIOLOGICAL ENVIRONMENT
A	<p>1. SOIL SUITABILITY, TOPOGRAPHIC AND/OR GEOLOGIC CONSTRAINTS (soil moisture, unstable soils or geologic conditions, steep slopes, erosion potential, subsidence potential, seismic activity)</p> <p>COMMENTS AND SOURCE OF INFORMATION: Other than site leveling for the loadout, there would be no new soil disturbance. There are no constraints on constructing and operating the loadout.</p>
NA	<p>2. HAZARDOUS FACILITIES (power lines, hazardous waste sites, distances from explosive and flammable hazards including chemical/petrochemical storage tanks, underground fuel storage tanks and related facilities such as natural gas storage facilities and propane tanks)</p> <p>COMMENTS AND SOURCE OF INFORMATION: There are no hazardous facilities at the loadout site.</p>
A	<p>3. AIR QUALITY (effects to and from project, dust, odors, emissions)</p> <p>COMMENTS AND SOURCE OF INFORMATION: The loadout is covered under Westmoreland's Montana Air Quality Permit #1418. Small amounts (less than 1 ton per year) of volatile organic compounds, carbon monoxide, and nitrogen oxides would be released as exhaust emissions from the coal trucks.</p>
N	<p>4. GROUNDWATER RESOURCES & AQUIFERS (quality/nondegradation, quantity/reliability, distribution, uses/rights, # of aquifers, mixing zones)</p> <p>COMMENTS AND SOURCE OF INFORMATION: Groundwater would not be affected by loadout construction and operation.</p>
N	<p>5. SURFACE WATER RESOURCES (quality/nondegradation, quantity/reliability, distribution, uses/rights, stormwater controls, source of community supply, community treatment, mixing zones)</p> <p>COMMENTS AND SOURCE OF INFORMATION: Storm water at the loadout site is controlled with ditches and sediment ponds. Surface water would not be affected.</p>
A	<p>6. VEGETATION AND WILDLIFE SPECIES AND HABITATS, INCLUDING FISHERIES AND AQUATIC RESOURCES (threatened, endangered, sensitive species, prime habitat, population stability, potential for human wildlife conflicts, effectiveness of postdisturbance plans)</p> <p>COMMENTS AND SOURCE OF INFORMATION: The loadout site and the haul route to the power plant at Hardin have been previously disturbed. No new disturbance is planned. Threatened, endangered, and sensitive species of wildlife are not likely to be affected. The increase in truck traffic between the mine and the power plant averaging 35 round trips per day will likely increase the number of animals killed by motor vehicles.</p>
N	<p>7. UNIQUE, ENDANGERED, FRAGILE, OR LIMITED ENVIRONMENTAL RESOURCES (biologic, topographic, wetlands (within 1 mile), floodplains (within 1 mile), scenic rivers, natural resource areas, etc)</p> <p>COMMENTS AND SOURCE OF INFORMATION: No unique, endangered, fragile, or limited environmental resources would be impacted.</p>
A	<p>8. LAND USE (Waste disposal, Agricultural Lands (grazing, cropland, , forest lands, prime farmland),</p>

	<p>Recreational Lands (waterways, parks, playgrounds, open space, federal lands), Access, Commercial and Industrial Facilities (production & activity, growth or decline), Growth, land use change, development activity)</p> <p>COMMENTS AND SOURCE OF INFORMATION: The loadout site is disturbed industrial land. No change in land use would occur.</p> <p>Land along Secondary Highway 384 between the underpass at Interstate 90 and the northern boundary of the Crow Indian Reservation is mostly open range. Traffic counts for 2004 (the latest available) for those two points were 390 and 250 vehicles per day, respectively. These numbers would increase by up to 100 vehicles per day (about 25 and 40 percent, respectively) with coal hauling to the power plant. Cattle killed by motor vehicles currently number five to six per year. Increased truck traffic could increase this to seven to nine per year, although future fencing of the right of way as noted in Section 19 would reduce this impact.</p>
N	<p>9. HISTORICAL, CULTURAL, & ARCHEOLOGICAL (sites, facilities, uniqueness, diversity)</p> <p>COMMENTS AND SOURCE OF INFORMATION: There would be no new disturbance so no known historical, cultural, or archaeological resources would be disturbed.</p>
A	<p>10. AESTHETICS (visual quality, nuisances, odors, noise)</p> <p>COMMENTS AND SOURCE OF INFORMATION: There would be no new disturbance to affect aesthetics at the loadout site.</p> <p>There are a number of houses and businesses along the haul route and close to the roads. Truck traffic would increase along the haul route by 7 to 55 percent, depending on location (based on 2004 traffic counts). At 35 round trips per day, any point along the route would experience a truck passing about once every 17 minutes for 20 hours each day in addition to normal traffic. Residents would likely be affected by the increase in noise of passing trucks and, in several cases, the sound of trucks braking for hills.</p>
N	<p>11. DEMANDS ON/ CHANGES IN ENVIRONMENTAL RESOURCES INCLUDING LAND, WATER, AIR OR ENERGY USE (need for new or upgraded energy sources, potential for recycling, etc) (See #8, #4, #5)</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>

Key	IMPACTS ON THE HUMAN POPULATION
N	<p>12. CHANGES IN DEMOGRAPHIC CHARACTERISTICS (population quantity, distribution and density, rate of change)</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>
N	<p>13. GENERAL HOUSING CONDITIONS (quality, quantity and affordability)</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>

N	<p>14. POTENTIAL FOR DISPLACEMENT OR RELOCATION OF BUSINESS OR RESIDENTS</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>
A	<p>15. PUBLIC HEALTH AND SAFETY (Medical services and facilities, Police, Fire Protection & Hazards (see #2), Emergency Medical Services, (see land use for waste disposal))</p> <p>COMMENTS AND SOURCE OF INFORMATION: A school bus makes one daily round trip along Secondary Highway 384 between the Spring Creek Café, just west of the intersection of County Road 37 with the secondary highway, and Hardin. The bus leaves at about 7:00 am and reaches Hardin at about 8:00. The return run is made between 3:30 and 4:30 pm. Six or seven stops are made along the way. About 30 children ride the bus this school year, with about 16 children on the bus while it is on the haul route.</p> <p>There are narrow bridges on the Bighorn and Little Bighorn rivers and Tullock Creek. Haul trucks meeting the school bus at these bridges could present a safety hazard to the bus and its occupants. Because of hills and curves, there may be restricted sight distances at some bus stops that would present a safety hazard.</p>
B	<p>16. LOCAL EMPLOYMENT AND INCOME PATTERNS (quantity and distribution of employment, economic impact)</p> <p>COMMENTS AND SOURCE OF INFORMATION: Construction and operation of the loadout would not increase employment. Eighteen to 20 new trucking-related jobs are expected.</p>
N	<p>17. LOCAL AND STATE TAX BASE AND REVENUES</p> <p>COMMENTS AND SOURCE OF INFORMATION: No increases in tax base or revenues are expected.</p>
N	<p>18. EFFECTS ON SOCIAL STRUCTURES AND MORES (standards of Social Conduct/Social Conventions) DEMAND ON SOCIAL SERVICES (law enforcement, Educational Facilities (libraries, schools colleges, universities) welfare, etc)</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>
A	<p>19. TRANSPORTATION NETWORKS (condition and use of roads, traffic flow conflicts, rail, airport compatibility etc)</p> <p>COMMENTS AND SOURCE OF INFORMATION: Big Horn County Road 37 is a gravel road that runs from Secondary Highway 384 past the Absaloka Mine. Coal trucks would enter from the loadout and would cross a narrow bridge on Sarpy Creek before reaching the highway.</p> <p>Secondary Highway 384 is an asphalt-paved two-lane road that runs between Interstate 94 west of Forsyth and State Highway 47 at Hardin. The lanes are 12 feet wide with shoulders 1 to 3 feet wide. The surface ranges from 2 to 4.8 inches thick and is considered to be in “fair” condition. Average daily traffic in 2004 ranged from 1,390 vehicles of all types at the intersection with State Highway 47 to 180 vehicles at Tullock Creek. The level of service rating is A, meaning that vehicles are completely unimpeded in their ability to maneuver within the traffic stream. The speed limit is 60 mph for trucks and 70 mph for other vehicles. The Montana Department of Transportation plans two pavement preservation projects on Secondary Highway 384. The first, to be completed this year, will be to place a 45 mm overlay on the stretch from milepost 12.6 (the northern boundary of the Crow Indian Reservation) to milepost 25.7 (just short of the intersection with County Road 37), and to install guardrails and seal and cover. Planned for next year is a 45 mm overlay and right-of-way fencing from milepost 0</p>

	<p>(intersection with State Highway 47) to milepost 12.6. Future plans also include replacement of the bridge over the Bighorn River.</p> <p>Sight distances are restricted at a number of locations along Secondary Highway 384, such as the junction with County Road 37, the Iron Spring Road, the Dry Creek Road, and several private driveways. There are several long hills, some exceeding a mile in length.</p> <p>County Road 37 would deteriorate with the heavy truck traffic.</p> <p>The increase in heavy truck traffic on Secondary Highway 384 would cause deterioration of the pavement. The increase of up to 55 percent in average daily traffic, composed of trucks moving more slowly than most of the existing traffic especially on long hills, may reduce the level of service as the ability to maneuver safely within the traffic stream becomes restricted. The first pavement improvement project mentioned above will be completed this year, but future highway projects would cause temporary delays in traffic flows that would be exacerbated by the increased number of vehicles. Increased truck traffic would increase the potential for collisions in stretches with restricted sight distances.</p>
N	<p>20. CONSISTENCY WITH LOCAL ORDINANCES, RESOLUTIONS, OR PLANS (conformance with local comprehensive plans, zoning or capital improvement plans)</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>
N	<p>21. REGULATORY RESTRICTIONS ON PRIVATE PROPERTY RIGHTS (Are we regulating pursuant to a police power? Does the Agency action restrict the use of the property beyond the minimum necessary to achieve compliance with the Act? What are the costs of such additional restrictions resulting from proposed permit conditions? Are other less restrictive ways of achieving the same goal? See your assigned legal counsel for assistance preparing this section.)</p> <p>COMMENTS AND SOURCE OF INFORMATION:</p>

22. Description of and Impacts of Other Alternatives Considered:

A. No Action: Westmoreland's minor revision application to construct the loadout at the mine would be denied. Rocky Mountain Power would have to find another source of coal or another method of delivery.

B. Approval with modification: No modifications to the loadout proposal have been made. DEQ does not have jurisdiction over the trucking operation, so it cannot impose conditions on hauling coal to Hardin.

23. Public Involvement: This EA was available for public review and comment for 21 days after its release.

24. Other Bureaus and Governmental Agencies contacted: Montana Department of Transportation, Hardin Superintendent of Schools

25. Summary of Magnitude and Significance of Potential Impacts: The direct impacts of permitting the minor revision would be minimal since they would affect land that is already disturbed. The indirect impacts of increased traffic, road surface deterioration, and noise on and along the haul route are outside of DEQ's jurisdiction, but would be manageable by other entities. These indirect impacts would not be significant.
26. Cumulative Effects: The future highway projects mentioned in Section 19 could temporarily add to traffic congestion on Secondary Highway 384.
27. Preferred Action Alternative (and Rationale): Approve the minor revision. Most of the impacts of permitting the minor revision would be indirect impacts occurring off the mine site. DEQ does not have the regulatory authority to deny or condition the minor revision because of these impacts.

Recommendation for Further Environmental Analysis:

☐ EIS ☐ More Detailed EA ☒ No Further Analysis

Rationale for Recommendation: The direct, indirect, and cumulative impacts of permitting the minor revision appear to be not significant; therefore additional analysis is not necessary.

EA Checklist Revised By:

Greg Hallsten

10/14/05

(Name)

Date

Bureaus consulted in the preparation of this checklist: (Identify each Bureau and get an initialed and dated sign-off from bureaus cooperating in preparation of EA).

ARMB _____

EMB _____

IEMB _____

PWB _____

WPB _____

WUT _____

Approved By:

(Print) (name & title)

Signature

Date

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